

**Klöckner & Co SE**

Am Silberpalais 1  
47057 Duisburg  
Deutschland

**Ad-hoc Announcements**

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Phone: +49 (0) 203-307-2050

Fax: +49 (0) 203-307-5025

E-Mail: [pr@kloeckner.com](mailto:pr@kloeckner.com)

Internet: [www.kloeckner.com](http://www.kloeckner.com)

## **KLÖCKNER & CO SE ACQUIRES MACSTEEL SERVICE CENTERS USA AND ELEVATES ITSELF INTO THE TOP 3 STEEL DISTRIBUTORS AND SERVICE CENTERS IN NORTH AMERICA**

**Duisburg, April 29, 2011** – After a successful due diligence process and having obtained the required antitrust approvals, Klöckner & Co completes the acquisition of Macsteel Service Centers USA, Inc. ("MSCUSA").

MSCUSA is a leading U.S. steel service center focused on flat products. In the 2011 fiscal year, the company anticipates sales of approximately USD1.8bn. With this acquisition, Klöckner & Co doubles its sales and branch outlets in North America. It will become one of the top three U.S. steel and metal distributors. The product portfolio, which thus far has concentrated on long products and plate, will now be extended to include a substantial share in flat rolled products for both ferrous and non-ferrous.

From now on, the US-American country organization contributes around 30% to Group sales. The product portfolio as well as the geographical coverage are complementary to current activities. The acquisition consistently follows the strategy "Klöckner & Co 2020" to expand into the more value added steel service center segment.

### **Key financial data on the acquisition:**

The maximum cash purchase price that will be paid for the equity is USD660m. In addition, debt (including pension liabilities) amounting to USD258m will be assumed. The resulting enterprise value of USD918m corresponds to around 7 times the expected fiscal year 2011 EBITDA before synergies. If MSCUSA posts EBITDA of less than USD120m in fiscal year 2011, then the



purchase price will be reduced by up to USD60m. MSCUSA will be consolidated effective May 1, 2011. The acquisition will immediately be earnings accretive, also because no significant integration charges are expected. The expected annual cost synergies will be in the lower double-digit million USD-range and are primarily expected in procurement and administration. These synergies will be fully reflected in earnings beginning in fiscal year 2012.



**Issuer:** Klöckner & Co SE, Am Silberpalais 1, 47057 Duisburg, Germany

The shares of Klöckner & Co SE are admitted to trading on the regulated market segment (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with further post-admission obligations (Prime Standard). Klöckner & Co shares are listed in the MDAX®-Index of Deutsche Börse.

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**Contact person Klöckner & Co SE:** Christian Pokropp – Press Spokesperson

Head of Investor Relations & Corporate Communications

Telephone: +49 (0) 203-307-2050

Fax: +49 (0) 203-307-5025

Email: [christian.pokropp@kloeckner.com](mailto:christian.pokropp@kloeckner.com)

